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By E-lodgement

Preliminary Final Report

This release contains an announcement to the Australian Stock Exchange Limited (**ASX**) regarding the full year results for McMillan Shakespeare Limited for the year ended 30 June 2009, which is given to the Australian Stock Exchange Limited under listing rule 4.3A of the ASX Listing Rules.



Mark Cansdale
Chief Financial Officer and Company Secretary

APPENDIX 4E
Preliminary Final Report

McMillan Shakespeare Limited
ABN 74 107 233 983

Details of the reporting period and the previous corresponding period	
1	Current period: 1 July 2008 to 30 June 2009. Previous corresponding period: 1 July 2007 to 30 June 2008.

Results for announcement to the market			
2	Key Information	Percentage change	Year ended 30 June 2009 \$'000
2.1	Revenues from continuing operations	Up 16.0% to	77,259
2.2	Profit after income tax	Up 18.2% to	20,523
2.3	Net profit after income tax attributable to members of the parent entity	Up 18.2% to	20,523
Dividends		Amount per security	Franked amount per security
2.4	Final dividend	\$0.105	\$0.105
2.5	Record date for determining entitlements to the dividend	23 September 2009	
2.6	Commentary		
	<p>Net profit after income tax for the year ended 30 June 2009 was \$20,522,752, compared to the previous year of \$17,367,800.</p> <p>For the year ended 30 June 2009, EBITDA (earnings before interest, tax, depreciation and amortisation) was \$29,510,977 compared to the previous year of \$25,595,669. EBIT (earnings before interest and tax) was \$27,653,420 compared to the previous year of \$24,144,735.</p> <p>Basic earnings per share, as shown in the financial statements, was 30.37 cents per share (2008: 25.76) and on a diluted basis was 30.37 cents per share (2008: 25.46).</p> <p>Refer to the accompanying 2009 Results Announcement for more details on the financial results.</p>		

Income statement	
3	Refer to Attachment A.

Balance sheet	
4	Refer to Attachment A.

Cash flow statement	
5	Refer to Attachment A.

Dividend details			
6	Dividends	Amount per security	Franked amount per security
	Final dividend	\$0.105	\$0.105
	Interim dividend	\$0.085	\$0.085
	Total dividend (interim <i>plus</i> final)	\$0.190	\$0.190
	Final dividend payable on 16 October 2009		

7 Dividend reinvestment plan		
	None.	

8 Retained Earnings			
		Year ended 30 June 2009 \$'000	Year ended 30 June 2008 \$'000
	Retained earnings at the beginning of the financial period	25,266	18,349
	Net profit attributable to the members of the parent entity	20,523	17,368
	Dividends paid	(11,827)	(10,451)
	Retained earnings at the end of the financial period	33,962	25,266

9 Net tangible assets per security			
		Year ended 30 June 2009 \$	Year ended 30 June 2008 \$
	Ordinary shares	0.272	0.212

10 Control gained or lost over entities during the financial year		
	Name of entities where control was gained during the financial year	Date control gained
	None.	N/A
	Name of entities where control was lost during the financial year	Date control gained
	None.	N/A

11 Investment in associates and joint ventures	
	Not applicable.

12 Other information	
	None.

13 Foreign entities	
	Not applicable.

14 Commentary on results for the financial year	
	Refer to the accompanying 2009 Results Announcement for details.

15 Audit	
	This report is based on accounts which are currently in the process of being audited.

APPENDIX 4E – ATTACHMENT A
McMILLAN SHAKESPEARE LIMITED AND CONTROLLED ENTITIES
ABN 74 107 233 983

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Economic entity 2009 \$'000	Economic entity 2008 \$'000
Revenue and other income		
Remuneration services	76,000	65,778
Non-operating interest income	1,259	842
Other	-	4
Total revenue and other income	77,259	66,624
Expenses		
Employee and director benefits expenses	34,309	30,379
Depreciation of plant and equipment	1,093	1,206
Amortisation of software development	342	245
Amortisation of contracts acquired	386	-
Impairment of goodwill	36	-
Technology and communication expenses	3,163	2,719
Property and corporate expenses	2,298	1,898
Finance costs	-	69
Consulting costs	1,034	550
Marketing costs	1,111	514
Other expenses	4,575	4,125
	48,347	41,705
Profit before income tax expense	28,912	24,919
Income tax expense	8,389	7,551
Profit attributable to members of the parent entity	20,523	17,368
Earnings per share	Cents per share	Cents per share
- Basic earnings per share	30.37	25.76
- Diluted earnings per share	30.37	25.46

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McMILLAN SHAKESPEARE LIMITED AND CONTROLLED ENTITIES
ABN 74 107 233 983**

**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009**

	Economic entity 2009 \$'000	Economic entity 2008 \$'000
Current assets		
Cash on hand	2	2
Bank balances	13,005	6,697
Short term deposits	15,040	11,270
Trade debtors net of provision for doubtful debts	1,678	4,606
Other receivables	2,675	2,955
Prepayments	1,380	1,275
Total current assets	33,780	26,805
Non-current assets		
Plant and equipment	2,007	2,053
Capitalised software development	962	563
Goodwill on acquisition	33,292	33,328
Contract rights	4,764	-
Future income tax benefits	-	688
Total non-current assets	41,025	36,632
Total assets	74,805	63,437
Current liabilities		
Trade payables	5,364	4,806
Sundry creditors and accruals	6,500	4,316
GST payable	461	652
Tax payable	2,471	3,206
Deferred tax liabilities	82	-
Accrued employee benefits	2,234	1,814
Income in advance	122	270
Total current liabilities	17,234	15,064
Non-current liabilities		
Accrued employee benefits	168	166
Total non-current liabilities	168	166
Total liabilities	17,402	15,230
Net assets	57,403	48,207
Equity		
Contributed equity	22,637	22,637
Option reserve	804	304
Distributable reserve	33,962	25,266
Total equity	57,403	48,207

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CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Economic entity 2009 \$'000	Economic entity 2008 \$'000
Cash flows from operating activities		
Cash receipts from customers	91,356	74,432
Cash payments to suppliers and employees	(55,474)	(47,854)
Interest received	1,315	779
Income taxes paid	(8,354)	(6,811)
Net cash from operating activities	28,843	20,546
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	-	(597)
Payment for contract rights	(5,151)	-
Payment for capitalised software	(740)	(481)
Acquisition of plant and equipment	(1,047)	(976)
Net cash used in investing activities	(6,938)	(2,054)
Cash flows from financing activities		
Equity contribution	-	219
Dividends paid by parent entity	(11,827)	(10,451)
Net cash provided used in financing activities	(11,827)	(10,232)
Net cash increase in cash and cash equivalents	10,078	8,260
Cash and cash equivalents at beginning of year	17,969	9,709
Cash and cash equivalents at end of year	28,047	17,969

APPENDIX 4E – ATTACHMENT A
McMILLAN SHAKESPEARE LIMITED AND CONTROLLED ENTITIES
ABN 74 107 233 983

1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The preliminary final report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The preliminary final report covers the consolidated group of McMillan Shakespeare Limited and its controlled entities (Economic entity). McMillan Shakespeare Limited is a listed public company, incorporated and domiciled in Australia.

The preliminary final report of McMillan Shakespeare Limited and its controlled entities complies with all International Financial Reporting Standards (IFRS) in their entirety.

Reporting Basis and Conventions

The preliminary final report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

2. Earnings per Share

	Economic entity	
	2009	2008
	'000	'000
Net profit	\$20,523	\$17,368
Earnings used to calculate basic earnings per share (EPS)	\$20,523	\$17,368
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	67,583	67,415
Weighted average number of options on issue outstanding	-	791
Weighted average number of shares to be issued to vendor	-	11
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	67,583	68,217

3. Contingent liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

	Economic entity	
	2009	2008
	\$'000	\$'000
Guarantees issued for the performance of contractual obligations – a term deposit of \$800,000 supports these guarantees.	310	773
Guarantee provided for the performance of a contractual obligation not supported by a term deposit.	20	-
Guarantee provided by the Economic entity to a supplier of goods to the Economic entity's employee clients for the difference, as at 30 June 2008, between the amounts due to the supplier and the amounts reimbursed to the supplier via the employee clients' salary packaging deductions (or other payment). This difference is expected to be received over the reimbursement period (generally 1-6 months) from the date of purchase of the goods from the supplier.	-	82
Guarantees provided in respect of property leases.	3,558	505
	3,888	1,360

4. Segment information

The Economic entity operates solely in Australia within the remuneration services industry.

18 August 2009

McMILLAN SHAKESPEARE LIMITED
ABN 74 107 233 983

Preliminary Final Report
ASX Announcement

McMillan Shakespeare Limited (ASX:MMS) today released its preliminary results for the year ended 30 June 2009, with a reported preliminary after tax profit of \$20.5m (unaudited). The results reflect an organisation that is focused on sales success, delivering customer service and improving customer product density.

Highlights of the operating results were:

	FY09	FY08	% increase
	\$'000	\$'000	over prior
			year
Total revenue and other income	77,259	66,624	16.0%
EBITDA	29,511	25,596	15.3%
Margin	38.8%	38.9%	
EBIT	27,653	24,145	14.5%
Margin	36.9%	36.7%	
NPAT	20,523	17,368	18.2%
Margin	26.6%	26.1%	
Basic earnings per share (cents)	30.37	25.76	17.9%
Dividends declared per share (cents)	19.0	16.5	15.2%
Amount franked	100%	100%	

REVIEW OF OPERATIONS

Financial Overview

The Directors are pleased that the Group has produced a net profit after tax of \$20,522,752 for the year ended 30 June 2009 (2008: \$17,367,800), representing an 18.2% increase on the prior financial year. This result was driven by a 16.0% increase in revenue, reflecting continued strong organic growth across the organisation while expenses remained constant as a percentage of revenue, despite investment in IT, marketing, and key positions across the Group.

The Group's financial position remains strong with no debt and a \$10.1 million increase in the cash balance over the year to \$28.0 million as a result of strong operating cash flows.

Operational Overview

In the context of the economic conditions in the 08/09 year, the employees of the McMillan Shakespeare Group have delivered an excellent result and have laid the foundations for ongoing profitable growth in the years ahead.

In view of the well publicised problems in the car sales market, it was particularly pleasing that the Group actually increased the unit number of Novated Lease sales. This was on the back of innovative marketing campaigns and improved field force and call centre performance. The Group also experienced satisfactory growth in salary packaging administration through a combination of new business acquisition and improved participation. All major health contracts were renewed.

Underpinning our result and creating a sustainable future has been a significant improvement in the quality of our service delivery. Independent research commissioned by the Group has not only mapped its improvement but also indicates the Group is now operating at, or close to, best practice levels for all service industries. With the improved service levels has come a fall in the Group's cost to service, driven by better rates of "first call resolution" and fewer "call backs".

While delivering on the Group's "business as usual" requirements, we have also been investing in the future. This has included:

- Developing a five year IT strategy to ensure the Group maintains functional, scalable systems that reduce cost to service and improve service levels.
- Building more sophisticated HR systems and tools to assist management create and maintain a high performance culture.
- Expanding and developing internal marketing capability.
- Expanding and developing internal business systems and IT capability.
- Vigorously participating in the Bracks and Henry enquiries.
- Developing new products that appeal to the Group's customers and their employees.

Strategies & Prospects

The Group refined its strategy during 2009, identifying through discussion with customers the opportunity to expand the range of benefits we take into the workplace. New benefits are currently under development, the first of which will be introduced in the first half of the 2010 financial year.

In addition, there remains scope for growth in the Group's core business, both through increasing participation rates for existing customers and the acquisition of new customers.

As the 2009 results indicate, the Group is well placed to continue to create value for shareholders in difficult economic times. The salary packaging business will continue to provide an annuity income stream and allow cross-selling of novated leasing services and other product extensions into what has proven to be a very receptive client base. At the same time, the strong balance sheet and cash flow position allows the Group to continue to look for well-priced bolt-on or related acquisitions.

The Company has declared a final dividend of 10.5 cents per share bringing the total dividend to be paid out of retained profits for the year ended 30 June 2009 to 19.0 cents per share, representing an increase of 15.2% over the total dividend for the prior year. The record date for the dividend is 23 September 2009 and it is payable on 16 October 2009.

In accordance with Listing Rule 3.13.1 of the ASX Listing Rules, the Company also wishes to advise that its Annual General Meeting will be held on Tuesday, 20 October 2008 at 10.00am.

For more information please contact:

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About McMillan Shakespeare

McMillan Shakespeare is considered a market leader in the provision of salary packaging administration. Its services include salary packaging benefit administration, motor vehicle lease management and taxation recording. McMillan Shakespeare also provides a complementary fleet management service, including the procurement of motor vehicles and finance and fuel card and service maintenance programs.